



High Water Escalations Update

Presented to Water / Wastewater Commission

Elaine Veselka, VP, Customer Account Management, Austin Energy

Drema Gross, Division Manager, Austin Water

February 2018





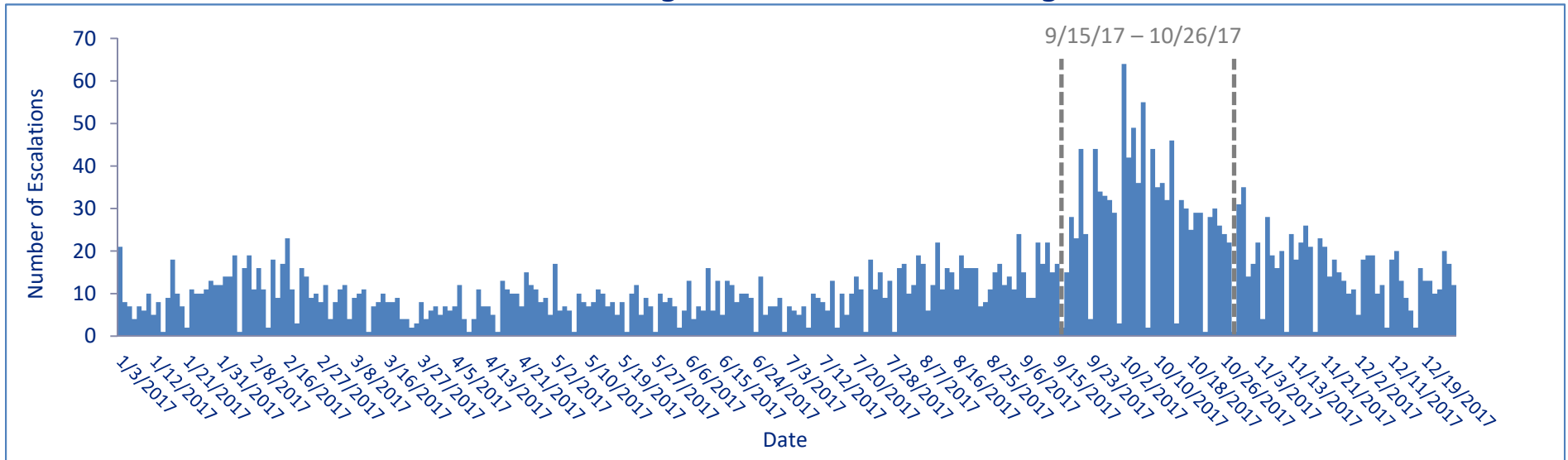
Agenda

- 2017 Escalation Increase & Response
- Analytic Focus: Systemic & Case Analysis
- Restorative Focus: Smoothing
- Preventative Focus: Meter to Bill Quality Assurance & Improvements
- Proactive Focus: Technology, Policy & Customer Resources
- Summary & Next Steps
- Questions



2017 Escalation Increase & Response

An acute increase in high water escalations began in October.



Austin Water & Austin Energy took a four part approach with an immediate focus on individual restorative efforts.

Analytic:

Perform
meter to bill data
analytics to
identify
specific issues

Restorative:

Solve any
immediate issues
and make
the customer
whole

Preventative:

Improve existing
business processes
and quality
assurance
measures

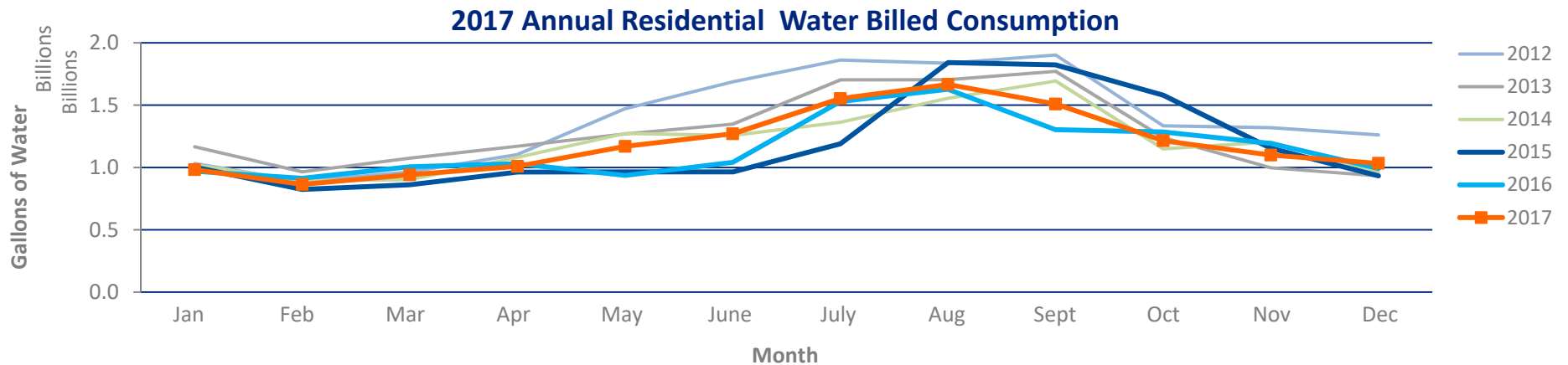
Proactive:

Identify future
opportunities to
improve
customer
experience

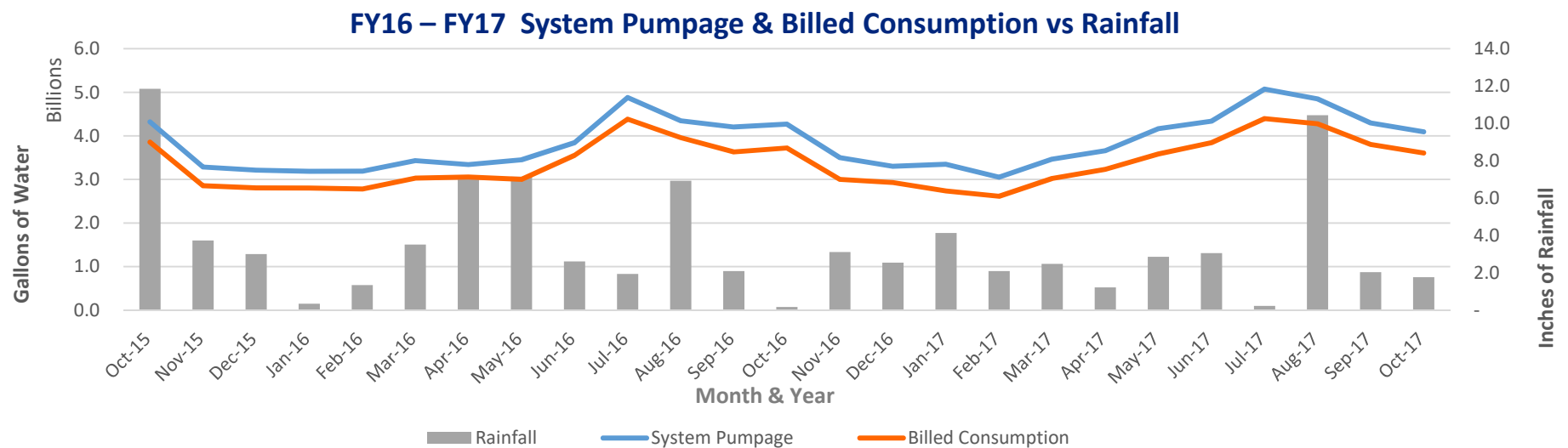


Analytic Focus: Annual Billed Consumption & Pumpage

Billed consumption in 2017 aligned with previous years.



Austin Water pumpage and billed consumption aligned with rainfall patterns as expected.

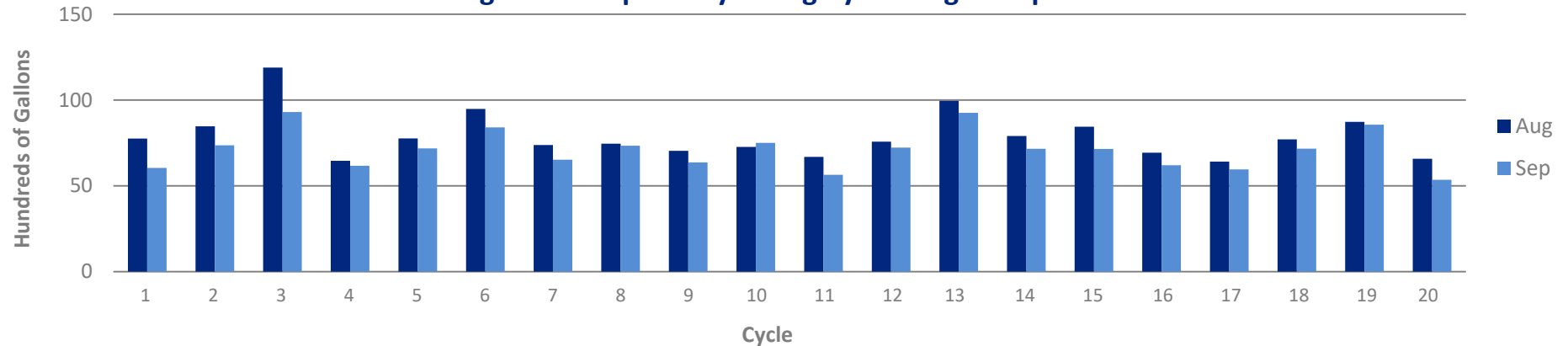




Analytic Focus: Estimated Bills & Average Consumption by Bill Cycle

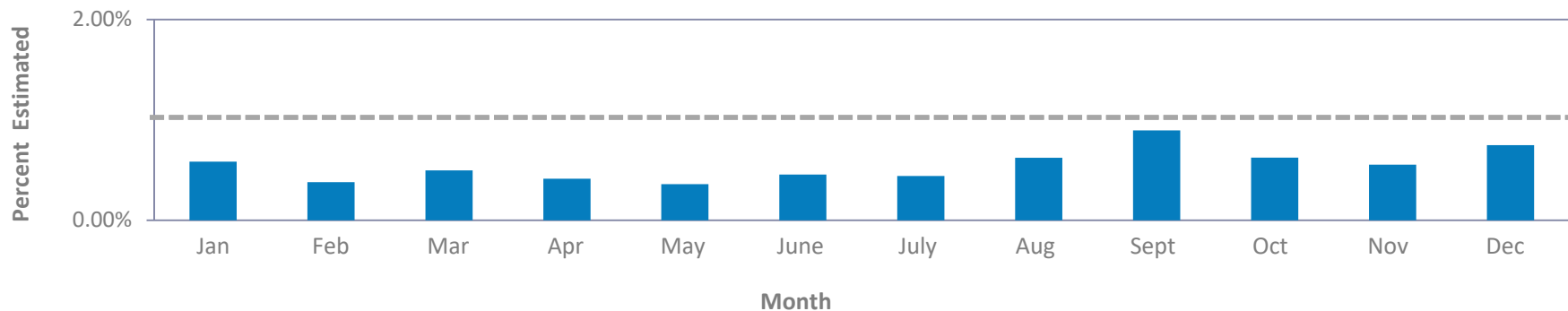
August to September consumption at the cycle level aligned with seasonal trends as expected.

Average Consumption by Billing Cycle: Aug to Sept 2017



*Billing system estimates were within expected range. Typically, **less than 1%** of Residential bills are estimated.*

Estimated Residential Water Bills 2017





Analytic Focus: Meter Read Routes

Unusual Usage Patterns

- Analysis of escalations cases created between July and December
- Unusual Usage Patterns identified in 135 routes
- Characterized by an unusually low August read followed by higher September read

AE began with a top down analysis of all routes:
1,080 Routes (~206K Customers)

Of the 1,080 routes, AE identified which routes had an aggregate lower August consumption followed by a higher September:

135 Routes (~32K Customers)

Of the 135 routes, AE identified which individual customers had a lower August consumption followed by a higher September:

~17,800 Customers

Of the 17,800 customers, AE identified which customers had a **higher total charge for August + September** than if the consumption had been spread equally over those months.

Higher Tier Effect
These customers will receive bill smoothing:
~7,400 Customers

Lower Tier or Debit
These customers will not benefit from smoothing:
~10,400 Customers

Of the 17,800 customers, AE identified customers who may also qualify for a **High Bill Administrative Adjustment:**

~700 customers



Restorative Focus: Bill Smoothing

AW & AE working together to “smooth” the consumption between the two months, which will result in a credit for ~7,400 customers

- Average credit of \$20
- Credit not exceeding \$80 in most cases
- Credits total approximately \$138K
- Affected Customers are already receiving notification letters
- Bill Smoothing will be complete by March 15

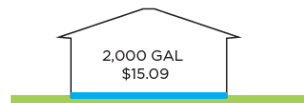
A TALE OF THREE HOUSES

Smoothing will adjust the affected customer's water bill by spreading the amount evenly across the two months, minimizing the effect of the tiered water rate structure and potentially resulting in a credit.

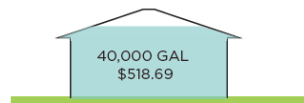
EXAMPLE 1



MONTH 1:

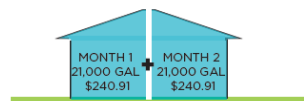


MONTH 2:



Total non-smoothing cost
for months 1 + 2 = \$533.78

SMOOTHING IS:
(MONTHS 1+2) ÷ 2 x TIER RATE



Total for smoothing cost
for months 1 + 2 = \$481.82

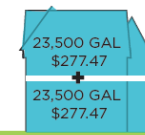
✓ **CREDIT = \$51.96**



EXAMPLE 2



Total non-smoothing cost
for months 1 + 2 = \$559.45



Total for smoothing cost
for months 1 + 2 = \$554.94

✓ **CREDIT = \$4.51**

EXAMPLE 3



Total non-smoothing cost
for months 1 + 2 = \$314.09



Total for smoothing cost
for months 1 + 2 = \$334.60

✗ **NO CHANGE***

*If smoothing results in a higher bill than the original amount, customers will not be charged or receive a credit.



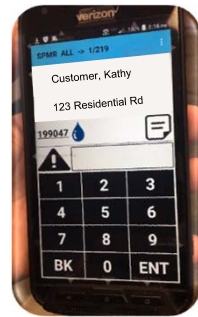
Preventative Focus: Meter to Bill Quality Assurance & Improvements

*indicates a new improvement

3 – 5 Days

1

Read is entered into handheld device.



1st High / Low Review

If read is outside of expected range, meter reader validates and a picture is obtained

Internal Quality Assurance Review

Selected reads are reviewed by AE & AW (began 1/10/18)

Meter Read Pictures*

All meter reads & internal reviews will include a picture (began 1/29/18)

2

Meter data file is sent to AE.



File Verification

AE verifies file upload is received

File Upload Analytics*

AE to analyze meter read file for unusual usage before billing review

3

Bill goes through review before generating.



2nd High / Low Review

If read is outside of expected range, billing analyst validates against picture in vendor portal (AE accelerated this year's annual review)

Meter Re-read:

1. If read cannot be validated, Billing Analyst issues a re-read
2. If re-read is not possible, a bill may be estimated in special circumstances. *Less than 1% of bills are estimated.*

Bill Generated



Proactive Focus: Technology, Policy & Customer Experience

AW is exploring technology and policy improvements. AW and AE are partnering to improve communication both online and through expanded training for agents.

Technology

- Advanced Meter Infrastructure (AMI) Pilots

Policy

- New 'Smoothing' process
- Reviewing Administrative Adjustment qualifications
- Reviewing Leak Adjustment qualifications

Customer Experience

- Continue to train agents to improve customer experience
- Encourage customers to take advantage of irrigation evaluation
- Proactive messaging

Next Steps

- Continue to work with individual customers for resolution
- Continue to investigate unusual usage patterns at the meter and route level
- Schedule neighborhood meetings in areas in areas with high escalations

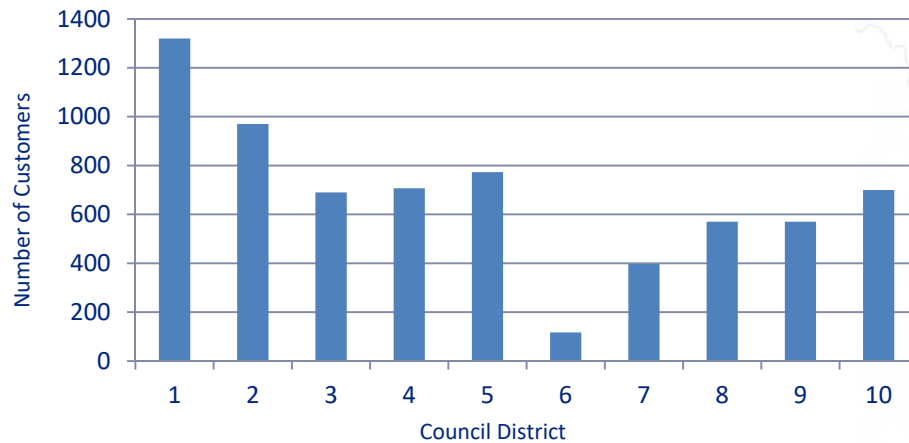


Thank you!

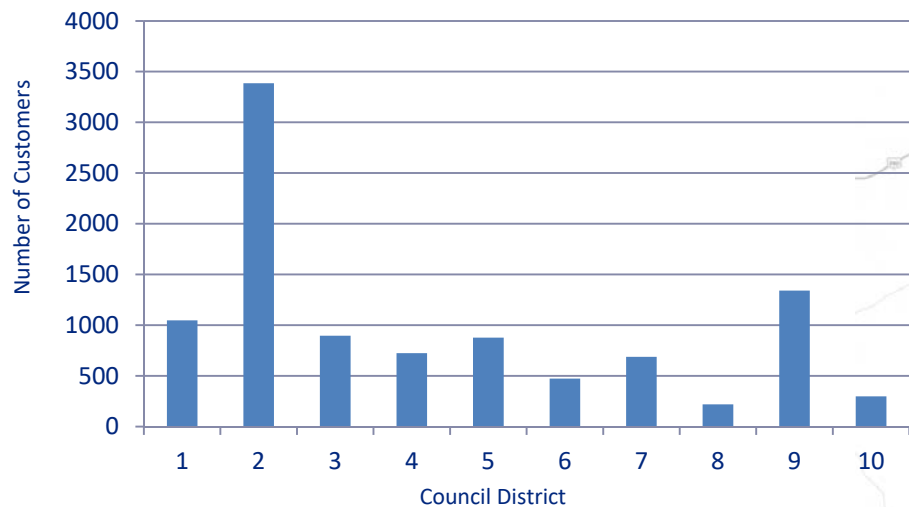


Appendix: Affected Areas by Council District

~7K Customers Affected by Tiered Charge



~10K Customers Not Affected by Tiered Charge



All Affected Areas

